

## Chapter 7. Housing

### Introduction

Housing is affected by a variety of forces including demographic, regional, and local trends, the economic climate, the availability of land resources, government controls and the real estate market. One of the key factor's in the City's ability to provide such a high quality of life has been the community's strong neighborhoods, which have a diversity of housing styles and types, ownership and rental options and a range of housing costs. Changes in the community, however, are creating challenges and need to be addressed so the City can maintain its quality neighborhoods.

The intent of this plan is to clarify the City's role in protecting the quality of existing housing and neighborhoods, diversifying the cost and types of housing and responding to changing community needs. This chapter of the *Comprehensive Plan* reviews the current housing situation and establishes a plan to meet the community's future housing needs. Discussion focuses on the following:

- **Regional Influences**
- **Existing housing conditions**
- **Local Housing Issues**
- **Future housing needs**
- **Housing goals, policies, and recommended actions.**

### Regional Influences

The Twin Cities Metropolitan Area grew by nearly 800,000 households over the last three decades. Growth is expected to continue in the next 20 years with an anticipated population increase of approximately 966,000 people and 471,000 new households. In addition, the demographic make-up of the Twin Cities is expected to change. The number of persons per household has been falling and is expected to drop further. In 1980, the average number of people per household in the region was 2.75 and in 2000, this fell to 2.59 and is expected to decline further to 2.41 by 2030. This decline is due in part to the aging population. The region's population under 55 is expected to grow only 19% while the population 55 years and older is expected to grow by 111%. The minority population is also expected to grow at a higher rate than experienced in the 1990's. This population group is also forecasted to account for 60% of the regions population growth.

### Relationship of Local Needs to Regional Plans

The Metropolitan Council adopted the 2030 Regional Development Framework in January 2004 and is the initial "chapter" and unifying theme of the Council's metropolitan development guide.

Together with the Metropolitan Council's regional policy plans, the Framework is intended to help ensure the orderly, cost effective development of the seven-county area and the efficient use of four regional systems: transportation, aviation, water resources (including wastewater collection and treatment) and regional parks and open space. This plan contains several policies pertaining to housing that include: working with regional partners to increase housing options that meet changing market preference and supporting the production and preservation of lifecycle and affordable housing with linkages to employment and transportation options.

The Metropolitan Council has found there is a need for more housing within the next 30 years to accommodate the projected population growth while recognizing a change in unit preference type due to demographic changes. In past years, single family detached housing has been the preferred type of home but is now being outweighed in preference to attached housing that is more desirable for empty nesters, singles, young couples with no children.

The Metropolitan Council also examined housing costs. To ensure the region has an adequate supply of affordable housing, the Metropolitan Council has allocated the number of units needed in each community based on existing affordable housing choices, further growth opportunities, low wage proximity and transit. Using this analysis, the Metropolitan Council has identified that an additional 107 affordable units are needed in Shoreview between 2011-2020 to accommodate a share of the expected demand. The Metropolitan Council will assist with this effort by administering programs and resources that encourage a more diverse housing stock and reduce housing costs.

The Metropolitan Council has implemented several housing programs to ensure that life cycle and affordable housing opportunities are available in the region. The Livable Communities Act (LCA) is a voluntary, incentive-based approach to help the Twin Cities metropolitan area address affordable and lifecycle housing needs while providing funds to communities to assist them in carrying out their development plans. The City does participate in this program and has adopted affordable and life-cycle housing goals and continues to meet the required expenditures for local housing programs. As a result of this participation, Shoreview was awarded a grant through the Livable Communities Demonstration Account and received funding to develop a plan for the Shoreview Town Center area.

The Metropolitan Council also established the Family Affordable Housing Program (FAHP) to assist the Minneapolis Public Housing Authority in meeting the housing replacement provisions of the 1995 Hollman consent decree. The decree provided for the demolition of certain public housing units within the City of Minneapolis and made federal funding available for the development of 770 replacement housing units within census tracts not impacted by race or poverty in the City of Minneapolis and suburbs. The Metropolitan Council agreed to develop 150 of these replacement units via a scattered site rental unit acquisition program in partnering communities. Shoreview is one of these communities and the Metropolitan Council owns and manages ten (10) of these units in the city.

## Existing Housing Conditions

### Housing Types

Table 7-1, below, summarizes housing types in Shoreview. Map 7-1 also shows housing types. The majority of the City's housing stock consists of detached single-family dwellings (about 60 percent). However, Shoreview does have a variety of other housing options including townhomes, condominiums, apartments and a manufactured home community.

**Table 7-1. Housing Types**

<u>Type</u>	<u>Units</u>	<u>Percent of Units</u>
Single-Family Detached	6,613	60.2%
Duplex/Triplex	155	1.4%
Townhomes	2,128	19.4%
Condominiums	674	6.2%
Apartments	1,193	10.9%
Manufactured Homes	214	1.9%
<b>Total</b>	<b>10,978</b>	<b>100%</b>

Source: November 2007 Ramsey County Data and Community Development Department

### Housing by Year Built

The majority of housing units were constructed between 1960 and 1990. Table 7-2 summarizes the age of the City's housing stock. Map 7-2 shows housing by year built. As the following table indicates, most of the City's housing (82%) was built prior to 1990. The average home in Shoreview is about 35 years old. Within the expected life of the *Comprehensive Plan*, the large majority of Shoreview's housing will be well over 30 years old with a significant portion between 50 and 70 years old. At this age, maintenance is important to maintain the integrity of the structure and the value of the property.

**Table 7-2. Housing by Year Built**

<u>Year Built</u>	<u>Units</u>	<u>Percent of Units</u>
Prior to 1960	1,525	13.9%
1960 to 1970	1,321	12.0%
1970 to 1980	3,080	28.1%
1980 to 1990	3,095	28.2%
1990 to 2000	1,407	12.8%
2000 to present	550	5.0%
<b>Total Units</b>	<b>10,978 units</b>	

Source: November 2007 Ramsey County Data and Building Department Records

## Housing by Tenure and by Age of Householder

The 1990 Census data indicated that the majority of Shoreview households (55 percent) were characterized as growing households with the head of household age range between 25 to 44 years, with few senior households. By 2000, the number of younger households had declined with the dominant age group being 45 to 54 years whose households are past their child-rearing years. Likewise, there was an increase in senior households. This pattern is reflected in the 2006 data, which shows that nearly half (47.2%) of the household heads are between 45 and 64 years of age. More than two-thirds of the community's households are older than 45 years of age. Table 7-3 shows the age distribution among the heads of households

**Table 7-3. Age of Householder 1990 - 2006**

Age	1990		1999		2006	
	Number of Persons	% of Population	Number of	% of Population	Number of	% of Population
<b>75 and older</b>	197	2.2	691	7.0	920	8.5
<b>65-74</b>	670	7.5	1,007	10.0	1,118	11.0
<b>55-64</b>	1,103	12.3	1,527	15.0	2,267	21.0
<b>45-54</b>	1,770	19.7	2,716	27.0	2,824	26.2
<b>35-44</b>	2,784	31.0	2,455	24.0	1,715	15.9
<b>25-34</b>	2,213	24.6	1,040	10.0	973	9.0
<b>Younger than 25</b>	252	2.8	150	2.0	194	1.8
<b>Unknown</b>			532	5.0	710	6.6
<b>Total</b>	<b>8,989</b>	<b>100</b>	<b>10,118</b>	<b>100</b>	<b>10,791</b>	<b>100</b>

Forecasts indicate that this shift from younger to older households will continue through the life of this *Plan*. While the share of young households (under 35 years) will continue to fall, the most significant decline will be in what is considered the most stable households with ages between 35 and 54 years. By 2020 empty nesters and seniors are forecasted to account for more than half of all households in Shoreview. This shift in householder age impacts community wide needs pertaining to housing.

The 2000 Census also provided information on the age of renters versus homeowners. Not surprisingly, renters tended to be younger than owner-occupied householders. Approximately forty-seven percent of households who rented were under 35 years old. Table 7-4 summarizes data on the age of householders for rental and owner-occupied units.

**Table 7-4. Age of Householder for Rental and Owner-Occupied Units**

	<b>Owner Occupied</b>		<b>Renter Occupied</b>	
<b>Householder Age</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
15 to 24 years	77	0.9	205	15.9
25 to 34 years	873	9.9	401	31.1
35 to 44 years	2,309	26.1	257	19.9
45 to 54 years	2,599	29.4	179	13.9
55 to 64 years	1,487	16.8	64	5.0
65 years and over	1,489	16.9	185	14.3
65 to 74 years	939	10.6	57	4.4
75 to 84 years	489	5.5	71	5.5
85 years and over	61	0.7	57	4.4
<b>Total</b>	<b>8,834</b>	<b>100.0</b>	<b>1,291</b>	<b>100.0</b>

Source: 2000 U.S. Census

### **Housing Values for Owner-Occupied Units**

Table 7-5 summarizes housing values according to the Ramsey County Assessor as of August 2007, the Metropolitan Council and the City of Shoreview Finance Department. Map 7-3 identifies housing values by location. Based on this data, about one-third of the City's housing units are considered affordable using the income standards set by the Federal Department of Housing and Urban Development. The median assessed value is \$286,600 and is often used because it is less influenced by high or low values than an average value

**Table 7-5. Housing Values for Owner-Occupied Units**

<b><u>Total Assessed Value</u></b>	<b><u>Units</u></b>	<b><u>Percent of Units</u></b>
Less than \$200,000	2,589	26.8%
\$200,001 to \$250,000	1,831	19.0%
\$250,001 to \$350,000	3,333	34.5%
\$350,001 to \$450,000	986	10.2%
More than \$450,000	896	9.2%

Source: Ramsey County Assessor's Office, November 2007

Table 7-6 summarizes the change in the median home value and identifies a 49.9% increase between 2000 and 2008.

**Table 7-6. Median Home Value Change**

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<b>Year</b>	<b>Median Value</b>	<b>Percent Change</b>
2000	143,100	
2008	286,600	49.93%

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Source: Ramsey County Assessor's Office, November 2007

## **Housing Costs for Rental Units**

The City of Shoreview has six apartment complexes and one townhome development that provide a total of 1,193 rental units. A survey of property managers in these developments completed in November 2007 indicated that the while rental vacancy rate has been very low for some complexes, other complexes are experiencing waiting lists due to more applicants than units available.

Less than 10 percent of the City's rental units are subsidized. The Meadowlands Townhomes offers 44 one-bedroom to four-bedroom subsidized townhome units and has a minimum 2-year waiting list. Scandia Shores has 51 subsidized senior apartments and this number has increased in an attempt to gain a fuller occupancy rate. Midland Terrace has 22 units subsidized under the HUD Section 8 program.

The type and number of units at each development and the rent ranges as of November 2007 are summarized in Table 7-7.

**Table 7-7. Rental Unit Costs**

<u>Development Name</u>	<u>Type of Units</u>	<u>Number of Units</u>	<u>Rent Range</u>
Lakeshore Oaks	1 BR	165	\$765
	2 BR	75	\$955
Meadowland Townhomes	1 BR	2	\$999**
	2 BR	20	\$1325**
	3 BR	18	\$1542**
	4 BR	4	\$1672**
Midland Terrace Apartments	Efficiency	30	\$660 and up
	1 BR	270	\$599 to \$845
	2 BR	120	\$835 to \$885
Scandia Shores (Senior Housing)	1 BR	20	\$855 to \$1155
	2 BR	51	\$855*
	2 BR	36	\$1,028 to \$1,814
Shoreview Hills	Efficiency	0	\$545 to \$645
	Studio	25	\$495 to \$670
	1 BR	65	\$730 to \$760
	2 BR	144	\$795 to \$1,125
	3 BR	6	\$1010 to \$1,270
Lexington Shores	1 BR	24	\$667-\$970
	2 BR	27	\$975-\$1,320
Summerhouse	1 BR	14	\$851 to \$893
	2 BR	60	\$1207-\$1412

Source: Rental Property Survey, November 2007

\*Indicates subsidized units at subsidized rental rates.

\*\*Indicates subsidized units at unsubsidized rates; actual subsidize rates based on tenant income- tenants pay 30% of adjusted gross income

## Housing Condition

The City Council has recognized that as the community matures, there needs to be greater emphasis on addressing the maintenance of our housing stock and protecting the quality of life in our neighborhoods. Program initiatives such as *SHINE*, a neighborhood code enforcement effort, and a rental housing licensing ordinance are specific actions that have been implemented to assist in achieving this goal.

Since its inception in 2003, *SHINE (Shoreview Inspections for Neighborhood Enhancement)* has been completed in four neighborhoods throughout the City including Bucher Park, the eastern portion of the Shamrock park neighborhood, the Lake Judy Neighborhood west of Vivian, and the Sitzer Park neighborhood east of Hodgson Road. Components of this program include an educational effort informing residents of the reasons behind the program and provides information on common property and nuisance regulations, property inspections and enforcement action (as needed). Overall, the program has revealed that the vast majority of properties are maintained in accordance with the City's housing and property maintenance standards. For those properties that have significant code violations, the City attempts to work with property owners by establishing a timeframe to correct the violations and will refer them to the Housing Resource Center if financial assistance is needed. Further code enforcement action is taken if no progress is taken by the property owner to remedy the violation.

The City also administers an annual licensing program for rental housing units to ensure that these units and complexes are maintained in accordance with the community's property maintenance and housing standards. Rental housing within the City is found in a variety of housing types including apartment complexes, senior housing, townhome developments and single-family attached or detached housing units. The maintenance of these units is a concern for a number of reasons, including the age of the housing stock. The majority of the City's multi-family complexes were constructed in the late 1960's and 1970's with the most recent completed in the early 2000's. These complexes, along with the majority of the single-family detached and attached housing units, have entered the life-cycle stage where improvements beyond routine maintenance may be needed. Licensing enables the community to ensure these units and properties are maintained in a manner that provides decent housing for residents and upholds the property maintenance standards of the community. Other issues associated with rental housing reflects the property's owners responsibility to assure that residents who occupy these units pursue lifestyles that are safe, secure and do not create nuisances for surrounding property owners. Approximately 200 single-family attached and detached licenses are issued annually along with 7 multi-family licenses.

This program includes the administrative review of license applications for outstanding code enforcement issues, conduct violations or concerns, and unpaid utility bills. Property and housing inspections are also completed to ensure compliance with the City's property maintenance and housing standards. Multi-Family rental units are inspected by City staff and the Lake Johanna Fire Department to insure Fire Code and life safety concerns are in compliance since other units may be affected by unit layout. The Lake Johanna Fire Department does not accompany on single-family attached and detached inspections unless deemed necessary.

City ordinance also allows for weed abatements and emergency abatements to be conducted when a non-compliant condition exists on the property. Weed abatements are used to address vegetative growth that exceeds the City's standards. In 2006 and 2007 the weed abatement process was used on 10 properties. The emergency abatement process is used when non-compliant conditions exist on the property that poses to be a public health nuisance or hazardous conditions exist. In 2006 and 2007 this procedure was used on a couple occasions where

properties were left abandoned with dangerous conditions existing from fire, natural conditions, or criminal action. This provision of the ordinance provides for gaining compliance in circumstances such as these.

## **2007 Storm Impacts**

In August 2007, a series of severe storms passed through the City of Shoreview. These storms included severe thunderstorms with heavy rain, high winds and large hail, resulting in many homes with damage to roofs and siding. Based on building permit data as of August 2007 to early December 2007, approximately 1,678 roofing, 120 siding and 254 roofing and siding permits were issued. While it is uncertain whether these permits were storm related, it appears that the vast majority were storm related due to a significant increase in number of these types of permits issued.

## **Townhomes and Condominiums**

Common-interest properties, including townhomes and condominiums, face special maintenance challenges. State law requires these communities to provide an “adequate” reserve budget for long-term maintenance but fails to define “adequate”. Monthly association dues for new developments may be set artificially low to attract buyers. Associations have the power to assess members for maintenance costs and reserves but may face strong opposition from residents. Younger and older residents may have divergent interests and goals. Obtaining bank loans to fund major repairs or improvements can be very difficult, as associations often lack collateral to offer as security.

The City conducted a survey of common-interest properties to determine whether budgeting for maintenance costs was an issue in these communities. Survey forms were sent to thirty-seven associations within the City. Twenty-two associations (60 percent) responded.

All responding associations had an annual operating budget for on-going costs and maintenance, and the large majority (95 percent) indicated their operating budgets were adequate. Only one association indicated short-term operating budgets was inadequate.

Almost all responding associations (94 percent) had a reserve budget including long-term projections. However, budgeting for long-term maintenance appears to be an issue in a number of common-interest communities as 32 percent indicated their reserve budgets were inadequate to fund major repairs absent significant new assessments on residents.

In addition, 82 percent of responding associations indicated some major repairs or improvements had been completed in the last five years. Most common improvements or repairs included landscaping (27 percent); roofing (50 percent); siding (23 percent); street or driveway repair (32 percent); and painting (9 percent).

Association representatives were asked to list their opinion of major issues facing common-interest communities. The most frequently mentioned concerns were under-funded reserves,

foreclosures and not collecting dues in a timely manner. Other concerns listed included aging properties, taxes, on-going maintenance, quality of common areas, and crime or security issues.

## **Density**

Residential land uses occupy approximately 3,185 acres, which does not include parks, open space, wetlands and lakes, road rights-of-ways, and non-residential properties. These uses provide 10,978 housing units. These units include traditional single-family detached homes as well as apartments, condominiums, duplexes, triplexes, townhomes and manufactured homes. The overall residential density for the community is 3.39 units per acre.

## **Neighborhood Profiles**

Residential areas in the City have been divided into eighteen neighborhoods using physical and natural dividers such as roads, parks, lakes, or open space (Map 7-4). These neighborhoods were used as an organizational tool to analyze data from the Ramsey County Assessor and the 2006 Demographic Study. Reviewing data at the neighborhood level revealed trends specific to different areas of the City that would have been masked by looking at the data on an aggregate or citywide basis. This information serves as a basis for policy decisions. Table 7-8 summarizes neighborhood information.

Table 7-8. Neighborhood Profile Summary

Source: Ramsey County; Excensus, LLC

				Average	Median	Median	Population	HH	Average	
	Area	Total		Year	Market	Market	Per	With	HOH	Average
Neighborhood	(acres)	Units	Density	Built	Value All Units	Value Owner Occupied	Household	Children	Age	Age
(Percent)										
Brookside	37.5	215	5.73	NA	20,100	238,600	1.97	23.7	46.2	38.0
Shamrock Park	194.1	702	3.62	1973	222,100	222,700	2.78	33.6	48.0	36.3
Silverthorn	153.4	247	1.61	1989	304,700	304,700	1.79	2.1	64.0	63.2
McCullough	400.0	992	2.48	1989	299,400	303,900	2.71	30.9	51.5	38.9
Bucher Park	211.2	520	2.46	1975	244,750	238,600	3.08	53.1	47.6	35.3
Ponds Park	297.0	684	2.30	1986	241,200	262,893	2.57	27.6	52.9	40.9
Turtle Lake	424.0	739	1.74	1967	276,700	277,900	2.78	26.7	51.1	40.6
Commons	253.6	837	3.30	1975	234,500	249,100	2.46	22.4	51.7	41.2
Wilson Park	306.7	1,257	4.10	1976	179,000	224,700	2.08	18.1	47.4	42.5
Snail Lake	105.3	238	2.26	1974	448,350	468,633	2.94	33.3	51.6	38.7
Sitzer Park	258.6	936	3.62	1967	234,250	239,600	2.4	24.7	51.6	41.5
Grass Lake	131.7	499	3.79	1976	239,300	241,900	2.22	16.7	50.7	42.3
Island Lake	30.5	51	1.67	1962	238,800	239,350	2.14	17.6	56.4	51.3
Cardigan	41.6	57	1.37	1953	249,500	250,200	2.37	14.5	54.6	44.4
Lake Judy	217.0	626	2.88	1964	250,000	253,800	2.34	9.4	53.5	45.9
Lake Wabasso	219.8	1,207	5.49	1972	92,700	220,200	1.73	10.4	40.5	40.2
Lake Owasso	173.2	307	1.77	1957	303,600	304,600	2.22	.3	51.1	47.0
Rice Creek	46	304	6.5	2000	202,800	202,800	1.87	7.6	46.1	44.0

## Employment and Housing

Changes in employment patterns and continued job growth will have an impact on the demand for housing in the community. Providing housing near jobs serves important economic and environmental goals. Shorter commutes reduce traffic congestion and associated impacts. Transit can provide an important link between housing and employment centers, particularly for employees in lower wage categories.

### Existing Employment

Existing Shoreview employers were surveyed in November 2007 to determine the types of jobs and typical wages currently available in Shoreview. Survey forms were sent to the top twenty-four employers in the City. Only eight employers responded. Data regarding job classification and income was inconclusive due to insufficient information provided by the respondents. Table 7-9 summarizes average annual wages reported by the MN Department of Employment and Economic Development.

**Table 7-9. Reported Wages by Job Category**

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<u>Category</u>	<u>Average Annual Wage</u>
Total, All Industries	\$50,544
Construction	\$49,712
Manufacturing	\$67,548
Service Providing-Domain	\$47,632
Wholesale-Trade	\$77,896
Financial Activities	\$47,372
Real Estate and Rental and Leasing	\$29,328
Professional and Technical Services	\$51,012
Educational Services	\$34,684
Health Care and Social Assistance	\$28,444

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Source: MN Department of Employment and Economic Development, 2006

This data, when reviewed with the income limits set for the Metropolitan Council's affordability guidelines, indicates that there may be an affordability gap with the housing offered in the community. The area median income for the seven-county Minneapolis-St. Paul area adjusted by HUD to be applicable to a family of four is \$78,500 in 2007. If a family of four is earning less than eighty percent of this income (\$62,800), affordability of housing becomes an issue. Although this data provides some insight regarding wages, household income data for 2007 would provide a better indication as to whether or not the community's housing stock is affordable to the local workforce.

## **New Employment**

Employment grew 34.3% from 2000 to 2006 with 13,342 jobs available in the City. The Metropolitan Council's employment forecasts expect approximately 3,450 jobs will be added in the community by 2030. The City anticipates these jobs will be located along the I35W and I694 corridors and in some of the areas targeted for redevelopment.

When housing costs are affordable to the local workforce and a variety of housing options are provided, employers tend to have a stronger base of employees who live in the community, at a wide range of wages and skill levels. Realistically, however, limited opportunities for new development in Shoreview means that surrounding communities will likely meet some of the demand for new housing created by additional employment.

## **Local Housing Issues**

### **Aging Housing Stock and Infrastructure**

One of the characteristics of a “developed” community is an aging housing stock and an aging public infrastructure system. The *2000 Comprehensive Guide Plan* provided information on the age of the community's housing. The majority of housing within the City (56 percent) was constructed prior to 1990 with the average age of homes in the community now being over 30 years old. As the housing stock ages, the importance of reinvestment and rehabilitation increases. The majority of homes within the community are at the age where significant reinvestment is needed to maintain the structures. If housing maintenance is deferred, reinvestment can become problematic due to the costs involved. Furthermore, deferred housing maintenance can negatively impact a neighborhood and deter other property owners from investing in their properties.

The City has initiated a code enforcement program to address the maintenance issues associated with an aging housing stock. The efforts appear to be successful based on the results of the 2005 Quality of Life survey. This survey, conducted in 2005, randomly selected 400 Shoreview residents and asked a series of questions including a portion on Neighborhoods and Housing. Participants were asked to rate items such as the condition and appearance of homes and yards, whether over the past two years if the conditions of the neighborhood has improved, declined or remained the same, and the City's level of active enforcement on particular nuisances.

Results of the study indicated that 98 percent of participants felt that the conditions and appearance of the homes to be “excellent” or “good”, while similarly 95 percent rated the condition and appearance of yards. Sixty-seven percent feel the appearance of their neighborhood has “remained the same” during the past two years and 28 percent feel it has “improved.”

Between 79 percent and 83 percent think the code enforcement on four nuisances is “about right:” animal control, junk cars, un-kept yards, and noise. On each type of nuisance, though, between 10 percent and 13 percent regard the enforcement level as “not tough enough.” After

review of City records, staff has identified the three most common code violations as outside storage/refuse, recreational vehicle storage and non-compliant vegetative growth. This indicates that residents appear to recognize problems and notify the City when nuisance conditions exist.

## **Aging Population**

A second key issue is the aging of the community's population. The percentage of people in the under 45 years age groups is expected to decrease while the percentage of people 65 years and older will continue to increase. Significant changes have occurred since 1990 when Shoreview's households were primarily in the 25 to 44 years old age group (55 percent) and considered growing households. By 2000, the number of younger households had fallen off sharply. Demographic data for the year 2006 confirms this trend showing only 24.9 percent of households in the 25 to 44 years old age group while 19.5 percent of households are 65 years and older. The dominant age group for households is now between the ages of 45 and 64 (47.2 percent) and it appears that these households are aging in place.

Shifting household age affects community needs for housing, education, transportation and other community services. As householder age increases, physical limitations become more apparent resulting in the need for modifications to homes, alternative forms of housing, and support services. With older households aging in place, the opportunity for turning over housing to younger families is limited.

## **Life-Cycle and Affordable Housing**

When the *2000 Comprehensive Guide Plan* was prepared, life-cycle housing and affordability were key issues. Shifting demographics, such as an aging population, create the need for alternative housing choices to the traditional detached single family home. Opportunities to develop life-cycle housing are somewhat limited due to the lack of vacant land and this type of housing will more than likely need to be incorporated into redevelopment proposals.

The Metropolitan Council defines affordable housing based on monthly rental and ownership purchase price amounts that are considered affordable to low and moderate income families. The established affordable home price (2007) for families (4-people) that have an income which is 80 percent of the median income for the Twin Cities is \$206,800 and for those families that have an income which is 60 percent of the median income is \$152,000. Table 7-10 summarizes housing values in the City based on the Ramsey County Assessor's data:

**Table 7-10. Affordable Housing Values**

<i>80% of area median income</i>			<i>60% of area median income</i>		
	<b># of homes</b>	<b>% of homes</b>		<b># of homes</b>	<b>% of homes</b>
<b>Under \$206,800</b>	2,576	28.9	<b>Under \$152,000</b>	624	7
<b>Over \$206,800</b>	6,332	71.1	<b>Over \$152,000</b>	8,284	93.0
<b>Total</b>	8,908	100	<b>Total</b>	9,252	100

Source: Excensus, LLC

The affordability of the City's housing stock appears to have fallen since the 2000 *Comprehensive Guide Plan* was adopted. In 1999, when the plan was developed, almost 50 percent of the community's housing fell within the affordability range identified by the Metropolitan Council. This reduction can be attributed to a variety of factors including the rising property values in the late 1990's and early 2000's, market trends and construction of upper-end housing units. Housing that falls within the affordability limits tend to be located in older single-family residential neighborhoods, townhome and condominium developments.

For rental units, affordability is based on maximum monthly rents for households at 50 percent of the area median income. Rental units fall within the affordability guidelines if the monthly gross rents are as follows in table 7-11:

**Table 7-11. Rental Unit Affordability Guidelines**

<b><i>Bedroom Size</i></b>	<b><i>Monthly Gross Rent, including Utilities</i></b>
Efficiency	\$687
1 bedroom	\$736
2 bedrooms	\$883
3 bedrooms	\$1,020
4 bedrooms	\$1,138

Source: Metropolitan Council

Another indicator used in determining housing affordability is the comparison of actual housing costs to income. Housing is not considered affordable if an individual or family is spending more than 30 percent of their income on housing costs. The following tables, 7-12 and 7-13, examine housing costs as it relates to income. These tables indicate that renter households and

younger households tend to be paying more of their income towards housing costs. It is difficult to determine if this is based on the individuals housing choice or if it reflects the availability of affordable units.

The affordability of the City's housing stock is a key concern because the City appears to have lost ground since the *2000 Comprehensive Guide Plan* was completed. The cost of housing impacts the ability of first time homebuyers and young families to move into the City and affects turnover with the aging population. Other life-cycle housing choices must also be available, including upper level and executive housing, to create a balanced housing stock.

**Table 7-12. Households paying more than 30% as a percent of household income**

<i>Tenure</i>	<i>30%-34.9%</i>	<i>35% to 39.9%</i>	<i>40% to 49.9%</i>	<i>50% or more</i>	<i>% of all households</i>
<b>Owners</b>	400	215	129	298	13.2
<b>Renters</b>	61	67	43	200	29

**Table 7-13. Percent of Households paying more than 30% as a percent of household income by householder age**

<b>Age of householder</b>	<b>Owner</b>	<b>Renter</b>
Under 25 years	28.5	20
25-34	15.7	17.2
35-44	13.2	15
45-54	8.2	33
55-64	9.9	15.6
65-74	11.9	0
75 and older	18.9	N/A

Source Tables 7-12 and 7-13, U.S. Census Bureau – 2000

## Market Trends

Another significant change that has occurred since the *2000 Comprehensive Guide Plan* is the real estate market. Information compiled in 1999 found that housing values in Shoreview had risen in the 1970's and 1980's but when such values were adjusted with inflation, house values actually decreased in the early 1990's. This changed dramatically in the later half of the 1990's and early 2000's when home values saw a rapid increase, and in some case home values saw annual increases in the 10 to 15 percent range, well above the inflation rate. The market has shifted back and property values have stabilized. Housing values are summarized in Table 7-5. Data from the St. Paul Area Association of Realtor's also indicates that the median sales price for homes within the City remained steady at \$240,000 in 2005 and 2006.

Another concern is the rise in the number of foreclosures throughout the Twin City Metropolitan Area. The number of Sheriff's sales in Ramsey County increased 125 percent between 2005 and 2006 and continues to climb. Staff has found that tracking foreclosures is difficult; therefore, it is not known how many homes foreclosures have occurred or are in the foreclosure process. The increase in foreclosures raises concerns regarding the impact this turnover will have on neighborhoods since these homes are vacant and the properties may not be maintained. Foreclosures may also affect the value of other properties, and the negative market psychology may keep older owners from moving, reducing opportunities for young families. They can, however, also provide an affordable housing option for young families because foreclosed homes are offered for sale at discounted prices.

### **Limited Opportunity for New Housing Development**

As a developed community, the City has limited opportunities for new housing development. The majority of the City's neighborhoods were developed in the 1960's, 1970's and 1980's. The remaining opportunities for new housing are through the redevelopment of existing underutilized property such as large lot single family residential properties. The redevelopment of these parcels can be difficult due to existing land use patterns, stormwater management requirements, access needs and neighborhood impact. Other redevelopment areas do exist and are identified elsewhere in the *Comprehensive Plan* as Policy Development Areas (PDA's) or Targeted Redevelopment Areas (TRA's). In some of these areas, like the Shoreview Town Center, the City anticipates housing will play a vital role and will provide an opportunity to address the community's housing needs. Redevelopment projects such as these can be complicated due to project costs, land assembly, infrastructure needs, financing and other factors.

### **Infill/Redevelopment**

As indicated earlier, new housing developments may occur through the infill development of vacant land and redevelopment of larger residential properties that have subdivision potential. Market and other forces are also driving changes in established neighborhoods with some residents opting to reinvest in their properties by tearing the existing structure down and rebuilding a new home or significantly remodeling the existing home. Such changes can create conflicts between older neighborhoods, newer neighborhoods and property owners since the newer construction is typically of a different style and size than traditionally found in the neighborhood. It is also difficult to increase densities in infill developments thereby affecting both life-cycle and affordable housing opportunities

## **Future Housing Needs**

### **Housing Maintenance**

#### **Owner-Occupied Housing**

The maintenance of owner occupied homes is a key issue due to the aging of the City's housing stock and population. While Shoreview's neighborhoods tend to be strong and well maintained,

challenges will be created due to the increased maintenance needs older housing requires and the limitations of an older population. Housing in older neighborhoods tend to be smaller and may need to be remodeled or upgraded to improve their resale value. Older townhome developments will also begin to have major maintenance needs and associations may find they are not financially prepared to pay for major maintenance projects. Since older units tend to be more affordable, maintenance of these houses or townhomes over the life of the *Comprehensive Plan* is important to maintain a good housing mix and to prevent neighborhood decline. To respond to the aging housing conditions and population, the City should explore programs and partnerships that would provide resources needed for property owners to maintain their housing stock. Further, emphasis also needs to be placed on a code enforcement program that educates property owners about the City's regulations and importance of property maintenance, while providing an enforcement mechanism to address nuisances, property and housing violations.

### **Rental Housing**

Most of the City's existing multi-family rental complexes are at least 30 years old. Adequate maintenance of these developments will be very important over the life of the *Comprehensive Plan* to meet the demand for life-cycle housing options and to provide a quality living environment. Results of the rental survey identify both major and minor improvements are being conducted to the complexes such as new decks, roofs, windows and boilers. Individual units also undergo renovation as needed upon vacancy with items such as new paint, flooring, cabinetry, countertops and appliances.

The City also has three senior housing rental complexes, which were built between 1996 and 2001. The rental survey indicated these complexes are beginning to make minor improvements to common areas to maintain a quality living environment. Individual units also undergo minor improvements as need upon vacancy.

The City may also want to explore programs and tools that provide assistance to landlords, property maintenance companies who need to repair or upgrade renter-occupied units.

### **Neighborhood Preservation**

One of the characteristics of a "developed" community is an aging housing stock and an aging public infrastructure system. As the housing stock ages, the importance of reinvestment and rehabilitation increases. The majority of homes within the community are at the age where significant reinvestment is needed to maintain the structures integrity. The aging of the housing stock becomes prevalent especially when reviewed on a neighborhood wide basis since homes in most neighborhoods were built around the same era. Neighborhoods in the City were generally developed from the south to the north over a 30-year period. Neighborhoods are at different stages of aging and the required maintenance between neighborhoods varies.

The older neighborhoods are seen as a key part of the City's affordable housing stock where reinvestment is vital to retaining the neighborhood character, quality of life and housing choice. A more comprehensive and long-range plan that establishes housing strategies in certain

neighborhoods should be undertaken. The intent of these neighborhood housing opportunity areas is to encourage reinvestment that results in an improved housing stock while retaining affordability levels and preserving the neighborhood's character. These areas are broadly defined as:

- Detached and/or attached single-family residential neighborhoods
- Average age of housing exceeds 40 years old
- Average assessed valuation that is less than the average for the community
- Characterized by a distinct housing type which may limit reinvestment

Although the City has identified potential Neighborhood Housing Opportunity Areas in the plan (Map 7-5), the City recognizes that further study is needed. The identification of such areas can serve as a tool for the City as housing policies and strategies are considered. Such neighborhoods may serve as a pilot study area, be targeted for infrastructure improvements or financial assistance for first-time homebuyers or home improvements.

Neighborhood preservation initiatives should also be developed for the larger community. To ensure that our neighborhoods remain strong and vital, housing policies need to encourage reinvestment in the communities housing stock, promote affordable housing and life-cycle choices.

## **Development Opportunities**

Like many other developed communities, development opportunities are limited to infill and redevelopment. Infill development will more than likely take shape as larger residential lots and the few remaining vacant parcels are subdivided. In general, the vacant parcels that do remain, often have development constraints such as poor soils, drainage, wetlands, access, utilities, or conflicts with adjacent land uses.

Redevelopment may occur in some areas as identified in Chapter 4, Land Use, such as the Highway 96 corridor. In these redevelopment areas, it is anticipated that residential development will occur at higher densities and provide housing alternatives including apartment complexes, townhomes and condominiums.

Infill and redevelopment has its challenges. Land assembly may be a fundamental challenge with some infill and redevelopment areas as the areas may include numerous land parcels, a number of different property owners, businesses and unwilling sellers. Site conditions may also present another challenge for developers. These conditions may include contamination, problematic access, inadequate infrastructure and environmental constraints such as poor soils or wetland areas. Infill and redevelopment can also be challenging if the site needs to be retrofitted to meet the City's current development standards and watershed district requirements. Another challenge pertains to creating a development that "fits-in" with the character of the neighborhood and has minimal impact on the adjoining land uses. The last challenge pertains to financing. This type of development is generally more expensive than development of vacant land as site preparation costs are higher. It may be difficult to redevelop properties to construct

new housing units without some public financial participation, particularly if projects include an affordable component. In short, developing or redeveloping housing alternatives will face a number of development challenges.

Although challenges exist, infill and redevelopment is vital to the diversification of the City's housing stock and additional life-cycle and affordable housing opportunities. Policies and tools must be enacted that promote and encourage the revitalization of key redevelopment areas and allow infill development while minimizing impacts on adjacent or nearby neighborhoods.

## **Changing Demographics**

Changing demographics is a driving force in the housing market that will continue to affect the community's housing needs. Demographic forecasts indicate that Shoreview's 65 and older population is expected to account for approximately 36% of the population by 2020, rising from the 2006 estimate of 12.6%. As a result, there will be significant changes in the City's housing needs as more residents age in place or decide to "downsize" to reduce their homeownership commitments. Furthermore, the City will be challenged to develop strategies that attract and retain younger households.

Demographic studies have found that the majority of seniors prefer to remain in their homes and age in place. Aging in place is typically accompanied by an increasing range of services that are needed for senior citizens to remain in their homes for a longer period of time and a concern that housing maintenance may be deferred. The majority of Shoreview's housing, like many other communities, was designed for young and middle-aged couples with children. Because of this, many of the homes may not be designed to address the special needs of senior citizen such as accessibility and in-home health care.

Another concern associated with aging in place is the condition of the housing stock. Like the population, Shoreview's existing housing stock is aging. Older adults with limited mobility and health concerns often have both physical and financial difficulty performing routine home maintenance tasks. As the City continues to age, additional efforts will be needed to partner with a variety of community resources such as churches, volunteer organizations and businesses to address these maintenance needs.

The combination of older residents aging in place and limited supply of vacant land affects the community's ability to attract younger households. The 2006 Demographic Change Study found that the turnover of housing units results in an increase of younger households. Unfortunately, single-family residential turnover in Shoreview is small with about 1% annually for residents 55 years and older. This study also found that Shoreview has had some difficulty in retaining younger households who move out of the community and favor the newer housing stock found in adjoining communities. Strategies that focus on creating additional housing choice for younger households need to be developed to slow this trend and create an age-balanced community.

## Life-Cycle Housing and Affordable Housing

The City participates in the Metropolitan Council's Livable Communities Act (LCA) and has negotiated the following affordable and life-cycle housing goals for the community. Participation in this program enables the City to participate in LCA grant programs and some Department of Employment and Economic Development financial assistance programs. Funding through these programs is needed for the City's redevelopment efforts. Negotiated goals are outlined in Table 7-14.

**Table 7-14 Livable Communities Goals**

	<b>Existing Conditions (adopted 1999)</b>	<b>Recommended Benchmark</b>	<b>City Goal</b>
<b>Affordability</b>			
Ownership	60 %	68 – 69 %	62 %
Rental	42 %	34 – 48 %	42 %
<b>Life-Cycle</b>			
Attached Housing	36 %	35 – 36 %	36 %
Owner-Renter Mix	85 / 15 %	64 / 36 %	81 / 19 %
<b>Density</b>			
Total	2.1 units/acre	1.8 units/acre	2.1 units/acre
Attached	8 units/acre	10-12 units/acre	9 units/acre

Based on the forecasted affordable housing need in the metropolitan area during the decade 2011 – 2020, the Metropolitan Council determined each community's share of this regional need. This allocation was determined by looking at a variety of factors including the anticipated household growth for the region, housing vacancy rates, low-wage proximity, transit service and a variety of other factors. For the City of Shoreview, **107** new affordable housing units are needed by 2020.

When considering housing policies and strategies, the City must take into consideration the shifting demographics and changing needs of our residents. The residential development pattern primarily consists of detached single-family homes, which have been generally designed to meet the needs of young families. Additional housing opportunities must be provided to address the needs of our aging population while attracting and retaining younger households. Life-cycle housing policies support the construction of rental and owner-occupied units that are affordable to low and median income buyers and also for the move-up buyer. These policies also support a variety of housing styles, types and densities that provide housing options for individuals as they move through different stages in life.

## Goals, Policies, and Recommended Actions

This section of the housing chapter establishes goals, policies, and recommended actions for the housing issues identified by the needs analysis.

### Housing Maintenance and Neighborhood Reinvestment

#### Goals

1. To maintain and enhance the quality of residential neighborhoods.
2. To proactively encourage housing and property maintenance ensuring stable neighborhoods and property values.
3. To provide adequate municipal services and infrastructure in our residential neighborhoods.
4. To promote available resources providing assistance residents with property and home improvements.

#### Policies

- A. Enforce and address code compliance issues, and examine the feasibility of new regulatory programs to improve and protect the appearance of the City's neighborhoods.
- B. Continue using the SHINE and Rental Licensing Programs to ensure that residential properties and dwellings are maintained in accordance with community standards.
- C. Support educational efforts to provide homeowners, homeowner associations and landlords with information on property maintenance, and available resources.
- D. Where feasible, target some of the City's older neighborhoods for infrastructure and landscaping improvements as a catalyst for housing renewal.
- E. Assist homeowners in renovating and remodeling their homes to meet the needs of today's market through City participation in local, state and federal housing programs.
- F. Continue our partnership with the *Housing Resource Center* and other non-profit and government agencies such as the Neighborhood Energy Consortium and Ramsey County Community Development Agency that provide housing programs, services and other initiatives.

#### Recommended Actions

1. Consider targeting older neighborhoods for street improvements to promote private housing investment.

2. Continue and expand proactive efforts such as the SHINE neighborhood inspections initiatives and other educational programs to the public.
3. Continue and expand code enforcement efforts and undertake abatement actions on properties with serious maintenance violations that negatively impact neighborhoods and/or the community.
4. Continue the rental housing licensing program to help maintain the quality of our housing stock and neighborhoods.
5. Periodically review zoning and development regulations to consider allowing greater flexibility for residents to reinvest and improve their properties.
6. Consider the creation of an Economic Development Authority (EDA) or similar funding mechanism, to ensure that the City is appropriately positioned to provide the assistance needed to achieve housing maintenance and neighborhood reinvestment goals.
7. Consider using alternative methods or techniques that improve the City's code enforcement program such as a "hotline" and web-based reporting system, abatement mechanisms, or an administrative judicial process.
8. Market and promote available programs and resources to assist property owners with home repairs and improvements, including sustainable design/practices, green building and active living.
9. In coordination with the SHINE program, the City may host neighborhood housing fairs that provide information to residents regarding housing maintenance and remodeling, perhaps including a remodeling and builders fair.
10. Consider developing closer contact with townhome and condominium homeowners associations and require them to provide a contact name to the City on an annual basis to facilitate communication between the associations and the City. The City will consider establishing an education program for homeowners' associations about maintenance budgeting. Such a program could include City-sponsored meetings or educational presentations for homeowners' associations.
11. Continue educational efforts about regulations for yard maintenance, including environmentally sound practices, in the City's quarterly newsletter.
12. Consider an awards or other recognition program for exemplary remodeling, landscaping or environmentally friendly (green) projects.

13. Consider the further study of neighborhoods, including those identified as Housing and Neighborhood Areas and evaluate potential housing programs that would address specific housing needs in these areas.
14. Consider establishing programs to assist homeowners such as, rehabilitation loans, energy loans, and property improvement loans.

## **Life-Cycle and Affordable Housing**

### **Goals**

1. To create and maintain a well-balanced community that provides life-cycle and affordable housing with a diverse mix of housing types and values.
2. To respond to demographic changes by providing housing for a variety of age and income groups.

### **Policies**

- A. Provide and seek financial assistance from public agencies for development projects that provide affordable and life-cycle housing.
- B. Continue our partnerships with non-profit and other government agencies such as the Metropolitan Council and Ramsey County Community Development Agency, that administer life-cycle and affordable housing programs.
- C. Promote life-cycle and affordable housing within the community by educating citizens about the benefits and need for a balanced housing stock.
- D. Explore participation in state and federal housing programs as a source of funding for life-cycle and affordable housing.
- E. Review demographic information periodically and adjust life-cycle and affordable housing goals to meet the needs and demands of current and future citizens.

### **Recommended Actions**

1. Review goals periodically. Shoreview has adopted Livable Communities Act goals as shown in Table 7-10 below. Shoreview will review demographic information periodically and adjust its life-cycle and affordable housing goals to meet the needs and demands of current and future citizens.
2. Work with public and private developers to expand life-cycle and affordable housing options in accordance with its adopted Livable Communities goals. The City may consider financial assistance where appropriate.

3. Explore financial assistance for senior citizens and households with special needs and investigate working with neighboring cities to assess the changing need for specialized housing and prepare a coordinated response.
4. Consider advertising and promoting the use of first-time homebuyer assistance programs from the Minnesota Housing Finance Agency. The City may work with real estate agents to increase the amount of information available about MHFA, Federal National Mortgage Agency and other first-time homebuyer programs.
5. Continue to work toward implementation of the Shoreview Town Center and Core Area Framework Plan, including redevelopment, infill development, land use changes, mixed-use zoning, public landscaping and other infrastructure improvements that could provide opportunities to add a variety of housing choices and related services.
6. Consider the creation of an Economic Development Authority (EDA) or similar mechanism, which could be used as a funding mechanism to provide additional life-cycle and affordable housing opportunities in the City.

## **Residential Infill and Redevelopment**

### **Goal**

1. To encourage residential infill and redevelopment that supports the City's housing goals and maintains residential character.

### **Policies**

- A. Continue to enforce the existing design standards and review process for development on substandard lots.
- B. For non-residential development, multi-family residential and residential development proposals consisting of three or more lots, including those that require a public street, which are adjacent to an existing residential neighborhood, the City shall consider the impact on neighborhood character.
- C. Continue to use the policies stated in Chapter 4, Land Use, when evaluating development proposals.
- D. Higher density residential development within an existing neighborhood may be considered when; the area is adequately served by municipal services, environmental conditions can accommodate the proposed density, natural resources are protected and the use is deemed compatible with surrounding land uses.

## **Recommended Actions**

1. Evaluate the performance standards in the existing Development Code and consider revisions to minimize the impact of development on existing residential neighborhoods.
2. To minimize impacts, mitigation will be required when non-residential or multi-family development is adjacent to an existing residential neighborhood. Mitigation could include site design features, building layouts, reductions in building height and mass, increased building setbacks, landscaping, berming, fencing and other buffering techniques.
3. The mitigation of impacts may also be required when a proposed residential development consists of a housing type that is substantially different than existing housing in the surrounding neighborhood. Mitigation could include site design features, building layouts, reductions in building height and mass, increased building setbacks, landscaping, berming, fencing and other buffering techniques.
4. Periodically review zoning and subdivision regulations and consider allowing greater flexibility with subdivision design.
5. Explore establishing policies that integrate new development into existing residential neighborhoods.